

AN ACT

All 70 Stat. 555.

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1956".

SEC. 2. The Mutual Security Act of 1954, as amended, is further amended by redesignating section 549, a statement of Congressional policy, as section 2, by inserting it immediately after the first section of the Act and before title I, and by amending it to read as follows:

"SEC. 2. STATEMENT OF POLICY.—(a) The Congress of the United States recognizing that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, use of economic pressure, internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination, declares it to be the policy of the United States to continue as long as such danger to the peace of the world and to the security of the United States persists to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States deems advisable compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.

"(b) It is the sense of the Congress that inasmuch as—

"(1) the United States, through mutual security programs, has made substantial contributions to the economic recovery and rehabilitation of the nations of Western Europe;

"(2) due in part to those programs, it has been possible for such nations to achieve complete economic recovery and to regain their military strength; and

"(3) certain other friendly nations of the world remain in need of assistance in order that they may defend themselves against aggression and contribute to the security of the free world, those nations that have been assisted in their recovery should, in the future, share with the United States to a greater extent the financial burden of providing aid to those countries which are still in need of assistance of the type provided under this Act.

"(c) It is the sense of the Congress that assistance under this Act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence."

SEC. 3. Title I, chapter 1, of the Mutual Security Act of 1954, as amended, which relates to military assistance, is further amended as follows:

(a) In section 103 (a), which relates to authorizations, add the following new paragraph:

"(3) In addition, there is hereby authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed \$2,225,000,000, which shall remain available until expended."

(b) In section 105 strike out subsections (c) and (d), and strike out the reference to subsection (d) in section 518.

Military assistance.

68 Stat. 833;
69 Stat. 283.
22 USC 1813.68 Stat. 834;
69 Stat. 284.
22 USC 1813, 1765.

Defense support.

69 Stat. 284.
22 USC 1841.

SEC. 4. Title I, chapter 3, of the Mutual Security Act of 1954, as amended, which relates to defense support, is further amended by substituting a semicolon for the period after "Asia" in subsection (c) of section 131 and inserting thereafter the following:

"and for the fiscal year 1957 not to exceed—

- "(1) \$71,200,000 for Europe (excluding Greece and Turkey);
- "(2) \$170,000,000 for the Near East (including Greece and Turkey) and Africa;
- "(3) \$882,000,000 for Asia; and
- "(4) \$52,000,000 for Latin America.

"Funds made available under paragraph (4) may be used to furnish assistance designed to sustain and increase military effort or political or economic stability, and may be used without regard to the requirements of sections 141 and 142 in the case of any nation which is a party to the Inter-American Treaty of Reciprocal Assistance and which has adhered to the resolution of 1954 entitled 'Declaration of Solidarity for the Preservation of the Political Integrity of the American States against the Intervention of International Communism'. Of the funds made available under paragraph (4), the sum of \$15,000,000 shall remain available until expended, notwithstanding any other provision of this subsection, and in the utilization of such sum preference shall be given to (A) projects or programs that will clearly contribute to promoting health, education, and sanitation in the area as a whole or among a group or groups of countries of the area, (B) joint health, education, and sanitation assistance programs undertaken by members of the Organization of American States, and (C) such land resettlement programs as will contribute to the resettlement of foreign and native migrants in the area as a whole, or in any country of the area, for the purpose of advancing economic development and agricultural and industrial productivity: *Provided*, That assistance under this sentence shall emphasize loans rather than grants wherever possible, and not less than 75 per centum of the funds made available for assistance under this sentence shall be available only for furnishing assistance on terms of repayment in accordance with the provisions of section 505."

SEC. 5. Title I, chapter 4, of the Mutual Security Act of 1954, as amended, which contains general provisions relating to mutual defense assistance, is amended by adding at the end thereof the following new section:

"SEC. 143. Notwithstanding any other provision of law, no assistance under this title or any other title of this Act, or under any provision of law repealed by section 542 (a) of this Act, shall be furnished to Yugoslavia after the expiration of ninety days following the date of the enactment of this section, unless the President finds and so reports to the Congress, with his reasons therefor, (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this Act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this Act."

SEC. 6. Title II of the Mutual Security Act of 1954, as amended, which relates to development assistance, is amended by striking out sections 201 and 202 and substituting the following new section:

"SEC. 201. AUTHORIZATION.—(a) In addition to the funds heretofore appropriated pursuant to the provisions of sections 201 and 418 of this Act as in effect prior to the enactment of the Mutual Security Act of 1956, which funds shall remain available for their original purposes in accordance with the provisions of law originally applicable

Development assistance.
22 USC 1871,
1872.
22 USC 1871,
1938.

thereto, there is hereby authorized to be appropriated to the President not to exceed \$293,000,000, to remain available until June 30, 1960, for assistance designed to promote the economic development of free Asia, the Middle East, and Africa, based on self-help and mutual cooperation of friendly nations, and to maintain economic and political stability in these areas.

"(b) The President is authorized to utilize the funds hereafter made available for purposes of this title to accomplish in these areas policies and purposes declared in this Act, and to disburse them on such terms and conditions, including transfer of funds, as he may specify: *Provided*, That eighty per centum of such assistance shall only be available on terms of repayment, except (1) when such funds are used to finance sales of surplus agricultural commodities under section 402, or (2) when granted for the purpose of a regional project involving two or more beneficiary nations: *And provided further*, That not more than 25 per centum of any funds hereafter made available for purposes of this title shall be used in furnishing bilateral assistance to any one nation. 22 USC 1922.

"(c) Funds made available under this title may be used for expenses (other than those provided for under section 411 (c) of this Act) to assist in carrying out functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following), delegated or assigned to any agency or officer administering nonmilitary assistance." 22 USC 1931.

SEC. 7. Title III of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is further amended as follows: Technical cooperation.

(a) In section 304 (b), which relates to authorization, after "\$143,500,000", insert ", and for the fiscal year 1957 not to exceed \$140,500,000." 68 Stat. 285.
22 USC 1894.

(b) In section 306, which relates to multilateral technical cooperation: 68 Stat. 285.
22 USC 1896.

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance, strike out all following "1956" and substitute ", and \$15,500,000 for the fiscal year 1957, for such contributions;"

(2) In subsection (b), which relates to contributions to the technical cooperation programs of the Organization of American States, strike out all following "1956" and substitute ", and \$1,500,000 for the fiscal year 1957, for such contributions."

(c) In section 307, which relates to advances, grants, and contracts, strike out all following "Congress," in the last sentence thereof and substitute "extend at any time for not more than three years." 68 Stat. 842.
22 USC 1897.

SEC. 8. Title IV of the Mutual Security Act of 1954, as amended, which relates to other programs, is further amended as follows: Other programs.

(a) Amend section 401, which relates to special fund, as follows: 68 Stat. 843;

(1) In the first sentence of subsection (a), strike out "\$50,000,000" and substitute "\$150,000,000"; and in the last sentence of such subsection strike out "\$20,000,000" and substitute "\$30,000,000". 69 Stat. 286.
22 USC 1921.

(2) In the second sentence of subsection (a), strike out the words "and Austria".

(3) In subsection (b), after "\$100,000,000", insert ", and for the fiscal year 1957 not to exceed \$100,000,000."

(4) Add to section 401 the following new subsection:

"(c) It is the purpose of this Act to advance the cause of freedom. Purpose.
Use of funds. The Congress joins with the President of the United States in proclaiming the hope that the peoples who have been subjected to the captivity of Communist despotism shall again enjoy the right of self-determination within a framework which will sustain the peace; that they shall again have the right to choose the form of government under which

they will live, and that sovereign rights of self-government shall be restored to them all in accordance with the pledge of the Atlantic Charter. Funds available under this section may be used for programs of information, relief, exchange of persons, education, and resettlement, to encourage the hopes and aspirations of peoples who have been enslaved by communism.

69 Stat. 286.
22 USC 1922.

(b) In section 402, which relates to earmarking of funds, after "\$300,000,000", insert ", and of the funds so authorized for the fiscal year 1957 not less than \$250,000,000".

69 Stat. 286.
22 USC 1923.

(c) In section 403 (b), which relates to special assistance in joint control areas, after "\$21,000,000", insert ", and for the fiscal year 1957 not to exceed \$12,200,000".

69 Stat. 286.
22 USC 1925.

(d) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), after "\$1,400,000", insert ", and for the fiscal year 1957 not to exceed \$2,300,000".

(2) In subsection (d), after "\$6,000,000", insert ", and for the fiscal year 1957 not to exceed \$7,000,000".

69 Stat. 286.
22 USC 1926.

(e) In section 406 (b), which relates to children's welfare, after "\$14,500,000", insert ", and for the fiscal year 1957 not to exceed \$10,000,000".

69 Stat. 286.
22 USC 1927.

(f) In section 407 (b), which relates to Palestine refugees in the Near East, strike out "for the fiscal year 1956".

69 Stat. 286.
22 USC 1929.

(g) Amend section 409, which relates to ocean freight charges, by inserting in subsection (c), after "\$2,000,000" in the last sentence thereof, the phrase ", and for the fiscal year 1957 not to exceed \$3,000,000".

69 Stat. 287.
22 USC 1930.

(h) In section 410, which relates to Control Act expenses, after "\$1,175,000," in the first sentence thereof, insert "and for the fiscal year 1957 not to exceed \$1,175,000".

69 Stat. 287.
22 USC 1931.

(i) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), strike out all that follows "\$35,225,000," and insert "and for the fiscal year 1957 not to exceed \$35,250,000, for necessary administrative expenses incident to carrying out the provisions of this Act (other than chapter 1 of title I and section 124)".

(2) Redesignate subsection "(c)" as subsection "(e)", and insert after subsection (b) the following new subsections:

"(c) Not to exceed \$1,500,000 of funds made available under title II may be transferred in the fiscal year 1957 for necessary administrative expenses not otherwise provided for incident to carrying out functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following), delegated or assigned to any agency or officer administering nonmilitary assistance, and the amounts so transferred shall be consolidated with funds made available pursuant to this section for said fiscal year.

"(d) There are authorized to be appropriated to the Department of State such amounts, not to exceed \$7,000,000 in any fiscal year, as may be necessary from time to time for administrative expenses which are incurred for normal functions of the Department which relate to functions under this Act."

Transfer of funds.

68 Stat. 454.

Administrative expenses, Dept. of State.

68 Stat. 847.
22 USC 1933.

(j) In section 413 (b) (2), after "to encourage and facilitate the flow of private investment to", insert ", and its equitable treatment in."

(k) Amend section 413 (b) (4) as follows:

(1) After "may make", insert ", through the agency primarily responsible for administering nonmilitary assistance under this Act".

(2) Substitute "June 30, 1967" for "June 30, 1957".

(3) In subparagraph (B) (ii), before the semicolon at the end thereof, insert "or by reason of war".

(4) Amend subparagraph (F) to read as follows:

"(F) the President is authorized to issue guarantees up to a informational total face value of \$500,000,000 exclusive of informational media guarantees. guarantees heretofore and hereafter issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act *Post*, p. 563. of 1948, as amended (22 U. S. C. 1509 (b) (3)): *Provided*, That 62 Stat. 144; any funds allocated to a guaranty and remaining after all liability 68 Stat. 861. of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, and funds realized after June 30, 1955, from the sale of currencies or other assets acquired pursuant to subparagraph (C), shall be available for allocation to other guarantees, and the foregoing limitation shall be increased to the extent that such funds become available. Any payments made to discharge liabilities under guarantees issued under this paragraph shall be paid out of fees collected under subparagraph (E) as long as such fees are available, and thereafter shall be paid out of funds realized from the sale of currencies or other assets acquired pursuant to subparagraph (C) and notes which have been issued under authority of paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, and authorized to be issued under this paragraph by the Director of the International Cooperation Administration, when necessary to discharge liabilities under any such guaranty: *Provided*, That all guarantees issued after June 30, 1956, pursuant to this paragraph shall be considered for the purposes of sections 3679 (31 U. S. C. 665) and 3732 (41 U. S. C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States of such guarantees; and the President shall, in the submission to the Congress of the reports required by section 534 of this Act, include information on the 68 Stat. 860; 69 Stat. 289. operation of this paragraph: *Provided further*, That at all 22 USC 1794. times funds shall be allocated to all outstanding guarantees issued prior to July 1, 1956, exclusive of informational media guarantees issued pursuant to section 1011 of the Act of January 27, 1948, as amended (22 U. S. C. 1442), and section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, equal to the sum of the face value of said guarantees. For the purpose of this paragraph the Director of the International Cooperation Administration is authorized to issue notes (in addition to the notes heretofore issued pursuant to paragraph 111 (c) (2) of the Economic Cooperation Act of 1948, as amended) in an amount 62 Stat. 146. not to exceed \$37,500,000, and on the same terms and conditions applicable to notes issued pursuant to said paragraph 111 (c) (2);".

(1) Amend section 415, which relates to assistance to international organizations, as follows:

(1) Change "ORGANIZATION" in the title to "ORGANIZATIONS".

(2) After "the North Atlantic Treaty Organization", insert "and the Organization for European Economic Cooperation".

(m) Repeal section 418, which relates to President's Fund for Asian Economic Development. *Repeal.*
69 Stat. 287.
22 USC 1938.

(n) Add the following new section:

"SEC. 421. FOOD AND AGRICULTURE ORGANIZATION.—Public Law 174, Seventy-ninth Congress, as amended by section 1 (b) of Public Law 806, Eighty-first Congress, is hereby further amended by striking 59 Stat. 529; out the figure '\$2,000,000' in section 2 thereof and inserting in lieu 64 Stat. 902. thereof the figure '\$3,000,000', and by inserting before the period at the 22 USC 279a. end of such section a colon and the following: '*Provided*, That the

General pro-
visions.68 Stat. 849.
22 USC 1753.
22 USC 1754.

22 USC 1759.

22 USC 1761.

68 Stat. 454.

Organization and
administration.68 Stat. 855.
22 USC 1781.22 USC 1782.
GSA.69 Stat. 289.
22 USC 1790.

percentage contribution of the United States to the total annual budget of the Organization shall not exceed 31.5 per centum."

SEC. 9. Title V, chapter 1, of the Mutual Security Act of 1954, as amended, which relates to general provisions, is further amended as follows:

(a) In section 501, which relates to transferability of funds, strike out the last three sentences.

(b) In section 502 (b), which relates to use of foreign currencies by committees of Congress, strike out "Joint Committee on the Economic Report" and insert "Joint Economic Committee and the Select Committees on Small Business of the Senate and House of Representatives."

(c) Amend section 507, which relates to availability of funds, to read as follows:

"SEC. 507. AVAILABILITY OF FUNDS.—Except as otherwise provided in this Act, funds shall be available to carry out the provisions of this Act (other than sections 414 and 416) as authorized and appropriated to the President each fiscal year."

(d) In section 509, which relates to shipping on United States vessels, after "this Act" in the last sentence thereof, insert "or the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691 and the following)."

(e) Add the following new section:

"SEC. 515. AUTHORIZATION FOR GRANT OF CONTRACT AUTHORITY.—Provisions in this Act authorizing the appropriation of funds shall be construed to authorize the granting in any appropriation Act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations."

SEC. 10. Title V, chapter 2, of the Mutual Security Act of 1954, as amended, which relates to organization and administration, is further amended as follows:

(a) In section 521, which relates to delegation of authority by the President, after "subsection (b)" in subsection (a), insert "and section 413 (b) (4)".

(b) Amend section 522, which relates to allocation and reimbursement among agencies, as follows:

(1) Add the following at the end of subsection (b): "The Administrator of General Services is authorized to maintain in a separate consolidated account, which shall be free from fiscal year limitations, payments received by the General Services Administration for administrative surcharges in connection with procurement services performed by the General Services Administration in furtherance of the purposes of this Act. Such payments shall be in amounts mutually acceptable to the General Services Administration and the United States Government agency which finances the procurement, and these amounts shall be available for administrative expenses incurred by the General Services Administration in performing such procurement services."

(2) Add the following new subsection:

"(f) Any appropriation made to carry out the provisions of this Act may initially be charged, within the limits of available funds, to finance expenses for which funds are available in other appropriations made under this Act: *Provided*, That as of the end of the same fiscal year such expenses shall be finally charged to applicable appropriations with proper credit to the appropriations initially utilized for financing purposes."

(c) In section 530, which relates to experts and consultants or organizations thereof, insert before the period at the end of subsection (a)

the following: " : *Provided*, That contracts for such employment with such organizations may be renewed annually".

(d) In section 532, which relates to exemption of personnel from certain Federal laws, add the following at the end of subsection (a): "Contracts for the employment of retired military personnel with specialized research and development experience, not to exceed ten in number, as experts or consultants under section 530 (a), may be renewed annually, notwithstanding section 15 of the Act of August 2, 1946 (5 U. S. C. 55a)." 68 Stat. 859.
22 USC 1792.
60 Stat. 810.

(e) Amend section 535, which relates to cooperation with international organizations, as follows:

- (1) Insert "NATIONS AND" after "WITH" in the title.
- (2) Amend subsection (b) to read as follows:

"(b) Whenever the President determines it to be in furtherance of the purposes and within the limitations of this Act, United States Government agencies, on request of international organizations, are authorized to furnish supplies, materials, and services, and on request of nations, are authorized to furnish nonmilitary supplies, materials, and services, to such organizations and nations on an advance of funds or reimbursement basis. Such advances, or reimbursements which are received under this subsection within one hundred and eighty days after the close of the fiscal year in which such supplies, materials, and services are delivered, may be credited to the current applicable appropriation or fund of the agency concerned and shall be available for the purposes for which such appropriations and funds are authorized to be used." Advances and
reimbursements.

(f) Add the following new section:

"SEC. 537. PROVISIONS ON USES OF FUNDS.—

"(a) Appropriations for the purposes of this Act (except for chapter 1 of title I and section 124), allocations to any United States Government agency, from other appropriations, for functions directly related to the purposes of this Act, and funds made available for other purposes to any agency administering nonmilitary assistance, shall be available for:

"(1) rents in the District of Columbia for the fiscal year 1957;
" (2) expenses of attendance at meetings concerned with the purposes of such appropriations, including (notwithstanding the provisions of section 9 of the Act of March 4, 1909 (31 U. S. C. 673)) expenses in connection with meetings of persons whose employment is authorized by section 530 of this Act; 35 Stat. 1027.
Ante, p. 560.

"(3) employment of aliens, by contract, for services abroad;

"(4) purchase, maintenance, operation, and hire of aircraft: *Provided*, That aircraft for administrative purposes may be purchased only as specifically provided for in an appropriation or other Act;

"(5) purchase and hire of passenger motor vehicles: *Provided*, That, except as may otherwise be provided in an appropriation or other Act, passenger motor vehicles abroad for administrative purposes may be purchased for replacement only and such vehicles may be exchanged or sold and replaced by an equal number of such vehicles and the cost, including exchange allowance, of each such replacement shall not exceed \$3,300 in the case of an automobile for the chief of any special mission or staff abroad established under section 526 of this Act: *Provided further*, That passenger motor vehicles may be purchased for use in the continental United States only as may be specifically provided in an appropriation or other Act; 68 Stat. 587;
69 Stat. 289.
22 USC 1786.

"(6) entertainment within the United States (not to exceed \$15,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act);

"(7) exchange of funds without regard to section 3651 of the Revised Statutes (31 U. S. C. 543), and loss by exchange;

"(8) expenditures (not to exceed \$50,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act) of a confidential character other than entertainment: *Provided*, That a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by an officer administering nonmilitary assistance, or such person as he may designate, and every such certificate shall be deemed a sufficient voucher for the amount therein specified;

"(9) insurance of official motor vehicles in foreign countries;

"(10) rental of quarters outside the continental limits of the United States to house employees of the United States Government (without regard to section 322 of the Act of June 30, 1932, as amended (40 U. S. C. 278a)), lease, necessary repairs and alterations to quarters;

"(11) actual expenses of preparing and transporting to their former homes in the United States or elsewhere, and of care and disposition of, the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities carried out with funds covered by this subsection (a);

"(12) purchase of uniforms;

"(13) payment of per diem in lieu of subsistence to foreign participants engaged in any program of furnishing technical information and assistance, while such participants are away from their homes in countries other than the continental United States, at rates not in excess of those prescribed by the Standardized Government Travel Regulations, notwithstanding any other provision of law;

"(14) expenses authorized by the Foreign Service Act of 1946, as amended (22 U. S. C. 801 and the following), not otherwise provided for;

"(15) ice and drinking water for use abroad;

"(16) services of commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, and for the purposes of providing such services the Public Health Service may appoint not to exceed twenty officers in the regular corps to grades above that of senior assistant, but not above that of director, as otherwise authorized in accordance with section 711 of the Act of July 1, 1944, as amended (42 U. S. C. 211a), and the Coast and Geodetic Survey may appoint for such purposes not to exceed twenty commissioned officers in addition to those otherwise authorized;

"(17) expenses in connection with travel of personnel outside the continental United States, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel) and transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during that same fiscal year, and cost of transporting to and from a place of storage, and the cost of storing, the furniture and household and personal effects of any employee (i) for not to exceed three months after first arrival at a new post, (ii) when an employee is assigned to a post to which he cannot take, or at which he is unable to use, his furniture and household and personal effects, or (iii) when such storage would avoid the cost

47 Stat. 412.

60 Stat. 999.

62 Stat. 47.

of transporting such furniture and effects from one location to another, under such regulations as an officer administering non-military assistance, or such person as he may designate, may prescribe.

"(18) payment of unusual expenses incident to the operation and maintenance of official residences for chiefs of special missions or staffs serving in accordance with section 526 of this Act.

"(b) United States Government agencies are authorized to pay the costs of health and accident insurance for foreign participants in any exchange-of-persons program or any program of furnishing technical information and assistance administered by any such agency while such participants are en route or absent from their homes for purposes of participation in any such program.

"(c) Not to exceed \$12,000,000 of the funds available in the fiscal year 1957 for assistance in Korea under this Act may be used by the President to construct or otherwise acquire essential living quarters, office space, and supporting facilities in Korea for use by personnel carrying out activities under this Act."

SEC. 11. Title V, chapter 3, of the Mutual Security Act of 1954, as amended, which relates to repeal and miscellaneous provisions, is further amended as follows:

(a) Amend section 544, which relates to amendments to other laws, by adding the following new subsections: 22 USC 1442, 28 U.S.C. 281b-1.

"(c) In section 4 of the Act of May 26, 1949 (63 Stat. 111, 5 U. S. C. 151c), insert after the words 'such functions' the following: 'including if he shall so specify the authority successively to redelegate any of such functions'.

"(d) In the first sentence of section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b) (2)), after 'any agency thereof', insert 'including amounts received in repayment of principal or interest on any loan made under section 505 (b) of the Mutual Security Act of 1954, as amended'.

"(e) Section 933 of the Foreign Service Act of 1946, as amended (22 U. S. C. 1148), is hereby amended by inserting after 'continental United States' where it appears in both subsection (a) and subsection (b) of that section 'its Territories and possessions'.

"(f) Section 1441 (e) of the Internal Revenue Code of 1954 is hereby amended by inserting after paragraph (5) the following new paragraph:

"(6) PER DIEM OF CERTAIN ALIENS.—No deduction or withholding under subsection (a) shall be required in the case of amounts of per diem for subsistence paid by the United States Government (directly or by contract) to any nonresident alien individual who is engaged in any program of training in the United States under the Mutual Security Act of 1954, as amended.

"(g) Section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1442), is amended by inserting '(a)' before 'The Director', by deleting everything after the words 'national interests of the United States', by inserting a period at that point, and by inserting the following new subsections:

"(b) The Director is authorized to assume the obligation of not to exceed \$28,000,000 of the notes authorized to be issued pursuant to subsection 111 (c) (2) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1509 (c) (2)), together with the interest accrued and unpaid thereon, and to obtain advances from time to time from the Secretary of the Treasury up to such amount, less amounts previously advanced on such notes, as provided for in said notes. Such advances shall be deposited in a special account in the Treasury available for payments under informational media guaranties.

68 Stat. 587;
69 Stat. 289.
22 USC 1786.

22 USC 1442, 28 U.S.C. 281b-1.

58 Stat. 782.
68 Stat. 851.
22 USC 1757.

60 Stat. 1028.

68A Stat. 358.
26 USC 1441.

68 Stat. 832.
22 USC 1751
note.
68 Stat. 862.

62 Stat. 146.

Ante, p. 558.

"(c) The Director is authorized to make informational media guaranties without regard to the limitations of time contained in subsection 413 (b) (4) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4)), but the total of such guaranties outstanding at any one time shall not exceed the sum of the face amount of the notes assumed by the Director less the amounts previously advanced on such notes by the Secretary of the Treasury plus the amount of the funds in the special account referred to in subsection (b).

68 Stat. 847.

"(d) Foreign currencies available after June 30, 1955, from conversions made pursuant to the obligation of informational media guaranties may be sold, in accordance with Treasury Department regulations, for dollars which shall be deposited in the special account and shall be available for payments under new guaranties. Such currencies shall be available, as may be provided for by the Congress in appropriation Acts, for use for educational, scientific, and cultural purposes which are in the national interest of the United States, and for such other purposes of mutual interest as may be agreed to by the governments of the United States and the country from which the currencies derive.

"(e) Notwithstanding the provisions of subparagraph 413 (b) (4) (E) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b) (4) (E)), (1) fees collected for the issuance of informational media guaranties shall be deposited in the special account and shall be available for payments under informational media guaranties; and (2) the Director may require the payment of a minimum charge of up to fifty dollars for issuance of guaranty contracts, or amendments thereto.

62 Stat. 146.
22 USC 1509.Ante, p. 558.

"(f) The Director is further authorized, under such terms as he may prescribe, to make advance payments under informational media guaranties: *Provided*, That currencies receivable from holders of such guaranties on account of such advance payments shall be paid to the United States within nine months from the date of the advance payment and that appropriate security to assure such payments is required before any advance payment is made.

68 Stat. 456.

"(g) As soon as feasible after the enactment of this subsection, all assets, liabilities, income, expenses, and charges of whatever kind pertaining to informational media guaranties, including any charges against the authority to issue notes provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, cumulative from the enactment of that Act, shall be accounted for separately from other guaranties issued pursuant to subsection 413 (b) of the Mutual Security Act of 1954, as amended (22 U. S. C. 1933 (b)): *Provided*, That there shall be transferred from the special account established pursuant to subsection (b), into the account available for payments under guaranties other than informational media guaranties, an amount equal to the total of the fees received for the issuance of guaranties other than informational media guaranties, and used to make payments under informational media guaranties.

"(h) Section 104 (h) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress; 7 U. S. C. 1704), is amended by adding at the end thereof the following: 'In the allocation of funds as among the various purposes set forth in this section, a special effort shall be made to provide for the purposes of this subsection, including a particular effort with regard to: (1) countries where adequate funds are not available from other sources for such purposes, and (2) countries where agreements can be negotiated to establish a fund with the interest and principal available over a period of years for such purposes.'

"(i) Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, Eighty-third Congress; 7 U. S. C. 1704), as amended, is further amended by adding after paragraph (h) the following new paragraph:

"“(i) for financing the translation, publication, and distribution of books and periodicals, including Government publications, abroad: *Provided*, That not more than \$5,000,000 may be allocated for this purpose during any fiscal year.”

(b) Amend section 545, which relates to definitions, as follows: Definitions.
68 Stat. 862.
22 USC 1751.

(1) Add at the end of subsection (h) the following: “Notwithstanding the foregoing provisions of this subsection (h) and for the purpose of establishing a more equitable pricing system for transactions between the military departments and the Mutual Defense Assistance Program, the Secretary of Defense shall prescribe at the earliest practicable date, through appropriate pricing regulations of uniform applicability, that the term ‘value’ (except in the case of excess equipment or materials) shall mean—

“(1) the price of equipment or materials obtaining for similar transactions between the Armed Forces of the United States; or

“(2) where there are no similar transactions within the meaning of paragraph (1), the gross cost to the United States adjusted as appropriate for condition and market value.”

(2) Add the following new subsections:

“(j) The term ‘agency administering nonmilitary assistance’ shall refer to any agency to which authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.

“(k) The term ‘officer administering nonmilitary assistance’ shall refer to any officer to whom authorities and functions under chapter 3 of title I, title II, title III, or title IV of this Act are delegated or assigned pursuant to authority contained in sections 521 and 525 of this Act.”

(c) In section 548, which relates to unexpended balances, strike out “heretofore”, substitute “1957” for “1956”, and strike out the colon and the remainder of the sentence following “Act” the second time it appears and insert a period. 69 Stat. 289.
22 USC 1767a.

(d) Add the following new section:

“SEC. 549. SPECIAL PROVISION ON AVAILABILITY OF FUNDS.—An amount equal to 25 per centum of the funds authorized to be appropriated for any fiscal year for purposes of chapter 3 of title I, title III, or section 403 of this Act is authorized to be continued available for three months beyond the end of the fiscal year for which appropriated.”

FOREIGN RESEARCH REACTOR PROJECTS

SEC. 12. (a) As one means of furthering peaceful uses of atomic energy on an international basis, there is hereby authorized to be appropriated to the President for the fiscal year 1957 not to exceed \$5,950,000 for use by the President, on such terms and conditions as he may specify, for research reactor projects undertaken or authorized by foreign governments which shall have entered into agreements for cooperation with the Government of the United States concerning the peaceful uses of atomic energy.

(b) Nothing in this section shall alter, amend, revoke, repeal, or otherwise affect the provisions of the Atomic Energy Act of 1954. 68 Stat. 919.
42 USC 2011 note.

(c) The United States share of the cost of any reactor made available to another government or to other governments under this section shall not exceed \$350,000.

Publicity.

(d) In carrying out the purposes of this section, the appropriate United States departments and agencies shall give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the United States. Such portions of the equipment furnished under this section as may be appropriately die-stamped as a product of the United States shall be so stamped.

Transfer of funds.

Sec. 13. It is the sense of Congress that not to exceed \$11,000,000 of the funds made available pursuant to the Mutual Security Act of 1954, as amended, for the fiscal year 1957 be transferred, in the discretion of the President, to the Department of State to carry out international educational exchange activities. Such amount is authorized to be transferred to and consolidated with funds made available to the Department of State for the fiscal year 1957 for the activities authorized by the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1431-1479), and by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C., App. 1641 (b)). The amount transferred pursuant to this section shall be in addition to funds otherwise appropriated for such activities, and not to exceed \$500,000 of the amount so transferred may be used for administrative expenses.

62 Stat. 6.

58 Stat. 782.

Congressional policy.

Sec. 14. It is the sense of Congress that in the preparation of the mutual security program, the President should take fully into account the desirability of affirmatively promoting the economic development of underdeveloped countries, both as a means of effectively counteracting the increased political and economic emphasis of Soviet foreign policy and as a means of promoting fundamental American foreign policy objectives of political and economic self-determination and independence.

Approved July 18, 1956.